

# Financing Renewable Energy and Energy Efficiency Projects

June 23, 2012

Michigan Energy Fair



MICHIGAN PUBLIC SERVICE COMMISSION

- Renewable Energy
- Energy Efficiency



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grant

bond

loan

Federal

State

Utility

residential

commercial

Financing

Industrial

nonprofit

municipal governments

tax credits/exemptions/deductions

amortization

Tribal governments

schools

Industry recruitment



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# Change in the Wind

- Production Tax Credit
- 1603 Treasury Cash Grant
- Bonus Depreciation
- MPSC Grants
- “Demand will substantially outstrip supply”

# Financing Mechanisms

- Cash Equity
- Tax Equity
- Project-Level Debt
- Capital Markets



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# Commercial/Corporate

## State Incentives

- Revolving Loan Fund
- Tax Credits
- Renaissance Zones
- PACE



# Michigan Saves - RE

- Loans up to \$20,000
- MichiganSaves.org
- Solar Photovoltaic
- Authorized contractors
- Participating Lenders



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# Michigan Saves - EO

- Building Shell Improvements
- HVAC
- Water Heating
- Appliances
- Building Performance



# Utility Programs - RE

- Net metering
- EARP
- SolarCurrents



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# Utility Programs - EO



All 63 utilities have approved plans to help customers save energy and money.



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# Residential

## Federal Incentives

- Energy Efficient Mortgages
  - Renewable Energy: Solar
- Tax Credit
  - Renewable Energy: Biomass
- 30% Tax Credit
  - Renewable Energy: Multiple
- Personal Exemption



# Small Scale

## MIRECS – aggregation

- Small units (150 kW or less) are aggregated into one project (up to 1 mW)
- Must have same generation characteristics
- Contact 5 Lakes Energy
  - (517)455-7661



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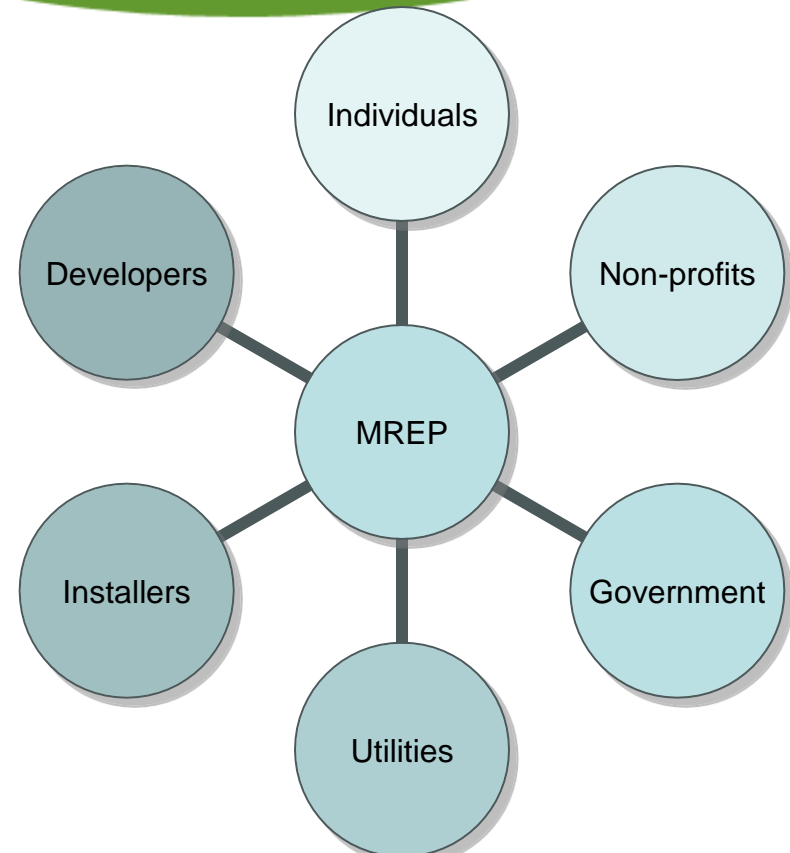
# Property Tax Issues

- Different valuation methods
- Differing interpretations around the State
- Differing opinions on personal vs. real



# Stay Informed

- Subscribe to the Michigan Renewable Energy Program email listserv at [www.Michigan.gov/mrep](http://www.Michigan.gov/mrep)



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- Michigan.gov/renewables
  - Legislation, incentives, net metering, contacts
- Michigan.gov/MPSC
  - For energy optimization plans and ideas
- DSIREUSA.org
  - List of incentives
- Katie Trachsel, CPA
  - [TrachselK@Michigan.gov](mailto:TrachselK@Michigan.gov)
  - (517)373-1808